Changes to Backdrop Benefit
April 1, 2013

As you may know, the County Board recently adopted changes to the Backdrop pension benefit. ***The changes affect only the Backdrop Benefit***. Accordingly, members who elect to receive a normal pension or who are not eligible to elect a Backdrop, such as deferred vested members, or members who were never eligible for backdrop benefit, will not have their monthly benefit affected by this change

If you are eligible for a backdrop based on date of hire and union affiliation, the adopted change will <u>not</u> affect your backdrop benefit <u>in any manner</u> if all of the following apply to you:

1) you are already eligible to retire now or you become eligible to retire on a date prior to April 1, 2013 – using whichever is applicable to you, the rule of 75 or normal retirement age (for many employees, age 60); and
2) you continue to work one or more years after you became eligible to retire; and
3) when you decide to retire, you choose a backdrop date that is on or after the date you first became eligible to retire and that is prior to April 1, 2013.

If you are eligible for a backdrop based on date of hire and union affiliation, the adopted change will affect your backdrop benefit if:

1) You are currently in the backdrop period and elect a backdrop date AFTER April 1, 2013
2) Your normal retirement date is AFTER April 1, 2013

In both of these instances, your ***BACKDROP BENEFIT*** (Lump Sum) will be calculated using your final average salary, service credits and multiplier in effect as of April 1, 2013. A separate calculation will be used to determine your ***MONTHLY PENSION BENEFIT*** based on your final average salary, service credits and multiplier in effect as of the backdrop date (a date AFTER April 1, 2013) you have elected.

Please note that the backdrop rules are very complex, and the V3 Pension System has not yet been updated to calculate a backdrop benefit with the modification. If you would like an estimate, please call the Retirement office at 278-4207.